

VZCZCXRO5548
PP RUEHLMC RUEHMR RUEHPA RUEHPB
DE RUEHDT #0306/01 2430953
ZNY CCCCC ZZH
P R 310953Z AUG 07
FM AMEMBASSY DILI
TO RUEHC/SECSTATE WASHDC PRIORITY 3692
INFO RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE
RUEHBR/AMEMBASSY BRASILIA 0605
RUEHLI/AMEMBASSY LISBON 0971
RUEHROV/AMEMBASSY VATICAN 0205
RUEHLO/AMEMBASSY LONDON 0750
RHEFDIA/DIA WASHINGTON DC
RUEAIIA/CIA WASHDC
RHMFISS/DEPT OF JUSTICE WASHINGTON DC
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC
RHHMUNA/HQ USPACOM HONOLULU HI
RUCNMCM/MCC COLLECTIVE
RUEHDT/AMEMBASSY DILI 3079

C O N F I D E N T I A L SECTION 01 OF 04 DILI 000306

SIPDIS

SECSTATE FOR EAP/MTS
USUN FOR RICHARD MCCURRY
SIPDIS

E.O. 12958: DECL: 8/31/2017
TAGS: [PGOV](#) [KDEM](#) [ASEC](#) [TT](#)
SUBJECT: THE STATE OF FRETILIN

REF: DILI 255, DILI 281

DILI 00000306 001.2 OF 004

CLASSIFIED BY: Elizabeth S. Wharton, Political/Economic Officer,
U.S. Embassy, Dili, East Timor, Department of State.
REASON: 1.4 (b), (d)

¶1. (C) Summary: In the days immediately following the August 5 announcement of the new government, led by the four-party Alliance with a Parliamentary Majority (AMP), supporters of the previous ruling party FRETILIN launched a campaign of violence and intimidation primarily concentrated in the three eastern districts where their support remains strong. FRETILIN national leaders insisted that they had nothing to do with the violence, but observers generally concluded that the evidence belied this disavowal and that at least some instigation and orchestration was involved. FRETILIN leadership have since made a concerted effort to rein in the violent reactions, likely in large part due to the recognition that the violence was damaging FRETILIN's image both domestically and internationally. However, it is also clear that FRETILIN plans to keep up the pressure on the AMP government, continuing its consistent broadcast that the AMP government is illegitimate, publicly attacking some members of the new government for their alleged pro-Indonesian records, and preparing to play hardball in Parliament. Meanwhile, FRETILIN's internal dynamics are shifting as the party comes to terms with its greatly reduced support base and ejection from government. While party leadership typically maintains a united front in public, unhappiness with the leadership of former Prime Minister and party secretary general Mari Alkatiri may be growing, with both long-time allies and the younger generation carefully maneuvering for leadership change. With all its troubles, FRETILIN remains the largest, best organized and most deeply historically rooted Timorese party. While it has disruptive and sometimes destructive potential, it also has some of the most committed and skilled leaders, and could still manage to return to power within this five-year period if the AMP's unity fails. The USG should engage robustly with both current leadership and potential future leadership to promote good lines of communication and influence and to ensure that we understand as best as possible where it is going. End summary.

12. (U) In the days immediately following the August 5 announcement of the new government supporters of the previous ruling party FRETILIN launched a campaign of violence and intimidation primarily concentrated in the eastern districts of Baucau, Viqueque, and Lautem, where their support remains strong. The campaign brought most normal activity to a standstill as boycott calls resulted in government offices, schools and businesses closing. A number of both government and non-governmental organizations' offices were burnt down in Baucau; hundreds of houses were burnt in Viqueque; the road from Baucau to Viqueque became a no-go zone due to ongoing road blocks and attacks on vehicles rendering the latter inaccessible; and many individuals identified as anti-FRETILIN, including supporters of other political parties and journalists, fled their homes and went into hiding. The UN estimates that approximately 4,000 people in the East were newly displaced in the process. Internationals, particularly UN police responding to and attempting to control the violence, also were targeted with the worst incident being a well-staged and potentially deadly attack on a UN Police escorted convoy on August 10, which included a major rock throwing attack, the isolation of one vehicle which was then burned after its occupants escaped, and shots fired in the vicinity believed to be in the direction of the convoy. In Dili, the disruption was less dramatic and relative normality returned quickly, but nonetheless left dozens of internationals and non-FRETILIN supporters with car windows smashed by rock throwing attacks and the customs building gutted by a fire that is widely viewed as an inside job designed to destroy potentially incriminating evidence. Pro-FRETILIN attackers also burned some public buildings in Oecusse and Manufahi districts during this period.

13. (SBU) FRETILIN national leaders insisted that they had nothing to do with the violence, and that they were doing everything they could to encourage non-violent responses.

DILI 00000306 002.2 OF 004

However, a wide array of both international and national observers concluded that the evidence belied this disavowal to a great extent. As reported in reftels, the announcement of the new government had been preceded by a month in which FRETILIN leadership worked to rally its supporters in opposition to any government that excluded the party. A steady stream of statements asserting the illegitimacy of the new government and the need to oppose it were widely seen as adding fuel to the fire. Moreover, reports from the East clearly indicated a significant level of local orchestration of the rioting and burning mobs by local FRETILIN leaders, know to report directly to national leaders. Overall it appeared that FRETILIN was playing a double game, trying to maintain their respectability, while testing their ability to mobilize large numbers and make governance very difficult for the AMP.

Reining in the violence, but keeping the pressure on

14. (SBU) Although tensions remain high especially in the East, the attacks and burnings subsided significantly following the first several days, and life is slowly returning to normal, in large part it seems because of a FRETILIN effort to rein things in. Nonetheless, the eastern districts are expected to remain tense and volatile in the coming months. Several considerations appear to have been at play in this change of direction. First, UN political affairs sources note that many in the party were genuinely taken aback at the level of violence their rhetoric produced, with the attack on the UN convoy being of great concern. Second, and related, is that although actions in protest of the new government caused extensive disruption in the East, this still involved a relatively small number while efforts to mobilized mass demonstrations at a national level quickly fizzled, with less than 100 showing up for two days of Dili protests, indicating that the party lacked serious mobilization power beyond its eastern base. Third is the fact

that FRETILIN is intensely conscious of its public and international image. Despite a concerted public relations campaign following the announcement of the AMP government, it became clear that the international community, domestic public and media, and international media all saw FRETILIN as the clear culprit in the violence and was unresponsive to the assertion that the AMP Government was illegitimate.

15. (C) Nonetheless, FRETILIN clearly still intends to keep the pressure on the AMP government. Although the leadership made it clear that no legal challenge of the AMP government is in the offing, it continues to hammer home its message that the AMP is unconstitutional. Along with this, FRETILIN members have been pointing frequently at the pro-autonomy records of several AMP members of government. These persons allegedly supported Special Autonomy status within Indonesia rather than independence for Timor-Leste at the time of the 1999 referendum.

FRETILIN MP David Ximenes has told us that the party will target these formerly pro-autonomy individuals in order to publicly undermine the government; new graffiti around Dili already lists specific ministers and secretaries of state, including: Minister of Education Joao Cancio, Secretary of State for Defense Julio Thomas Pinto, Secretary of State for Security Francisco Guterrres, and CNRT MP Carmelita Moniz. Following an initial walk-out after after FRETILIN candidates lost votes for Parliamentary leadership posts, FRETILIN MPs began to return to the plenary in earnest on August 20. However, their participation remains half-hearted with continued high absence rates. Somewhat contradictorily, they have also demonstrated that they plan to play hardball, raising difficult questions in the plenary and pushing hard for the leadership of strategic committees. Along with the overt pressure, FRETILIN sources frequently note the fragility of most coalition governments, and express doubt regarding how long this one can last. Overall, FRETILIN can be expected to be watching closely and looking for weak points it can exploit with an eye toward AMP failure and consequent FRETILIN resurgence long before five-year mandate up.

Change in the air?

16. (C) In its public presentation, FRETILIN has generally maintained a united front. But Embassy sources indicate that behind the scenes, unhappiness with Alkatiri's leadership and

DILI 00000306 003.2 OF 004

the fact that FRETILIN's base has been cut in half since 2001 are feeding a desire for change in the party's inner circles. Of particular note is Ana Pessoa, the previous Minister for State Administration who has long been viewed as one of Alkatiri's closest allies. Post has obtained notes from a meeting on August 14 in which Pessoa elaborated on her criticisms of Alkatiri, stating, "If we weren't so arrogant, we wouldn't be in this situation." She reportedly said that Alkatiri had failed to negotiate effectively during government formation discussions and that over the longer term he had created a bad environment with Xanana Gusmao against her advice. (She also had a few choice words regarding former Interior Minister Lobato, noting that "What is happening to the party is also a consequence of his attitudes. Rogerio Lobato is not a bad guy, but he is crazy.") Estanislau da Silva, the previous Minister of Agriculture and briefly Prime Minister, is also said to be increasingly unhappy with Alkatiri's leadership.

17. (C) At least equally significant is the potential emergence of FRETILIN's younger generation, who could seek to unseat the current leadership. Alkatiri has himself emphasized to us that the party is working to prepare the next generation of leaders, a priority reflected in recent leadership decisions. This includes Arsenio Bano being elected to the party's vice president position and Aniceto Guterres, currently FRETILIN caucas leader, being put forward as FRETILIN's candidate for President of Parliament. Both are among a group of capable younger party leaders whose background links them strongly with Renetil, the pro-independence movement established by Timorese students in Indonesia in the 1990s that is most strongly linked

with the Democratic Party (PD). Bano's and Guterres' rise within FRETILIN has been accompanied by them publicly becoming more hard line and loyal to the current leadership, leading many of their former activist colleagues to regard them as having abandoned their ideals. However, a highly reliable source very close to the party leadership paints a different picture, noting that from the outside they may appear to be staunchly pro-Alkatiri, but the way that they are moving within the party indicates that they are aiming to change things. So long as Alkatiri retains his position and support base, however, they will have to tread a very careful line, overtly demonstrating their loyalty while working carefully behind the scenes.

18. (C) Both Bano and Guterres have hinted at this dynamic in conversations with Emboffs, with Bano stressing the need for a smooth transition to the new generation, while Guterres has on several occasions stated that his position within the party remains potentially precarious. During a recent meeting he emphasized, "I am not radical [as many have now labeled him], but I'm still a guest in the house." According to the above-referenced source, Bano, Guterres and other like-minded members of FRETILIN's younger generation may attempt to win over enough support to call for an extraordinary congress to elect new leadership before the current leadership's five-year mandate is up in 2011. A national party consolidation meeting planned for early September may present them with this opportunity. (Note: The internal FRETILIN opposition group, Mudansa, has long been calling for an extraordinary congress, but Post assesses its ability to force leadership change in the party as marginal.

FRETILIN Mudansa's very public opposition has placed it squarely outside of the circles from which internal changes can be made. Nonetheless, they have made themselves a consistent irritant and have opened up the possibility for many FRETILIN members to oppose current leadership while maintaining their FRETILIN identity. If the younger generation makes a serious move, it is likely that the broader Mudansa community, to include those not explicitly linked with but sympathetic to Mudansa, might be an important source of support.)

Our approach to FRETILIN

19. (C) FRETILIN remains the largest, best organized and most deeply historically rooted Timorese party. While it has disruptive and sometimes destructive potential, and some very worrying anti-democratic tendencies, it also has some Timor-Leste's most committed and skilled leaders. It will remain important, and could manage to be back in government within this five year cycle. The USG should engage robustly with both the party's current leadership and its potential

DILI 00000306 004.2 OF 004

future leaders to promote good lines of communication and influence and to ensure that we understand as best as possible where it is going. Specifically we intend to:

- Continue to maintain regular and constructive dialogue with Alkatiri and all top party leadership. Regardless of the increased opposition to his leadership, Alkatiri's support base remains strong and he will remain a central party figure for the foreseeable future. Periods in which we did not have regular contact with him led to wide perceptions of a USG anti- FRETILIN bias that constrained our ability to understand the political situation and to convey important messages.

- Cultivate good connections with individuals who may be maneuvering for change behind the scenes and may be at the top of the party in the future. Within the 1975 generation or "Maputo group," Estanislau da Silva and Ana Pessoa are of particular importance. Of the younger generation and newer party members, some key individuals include: Arsenio Bano, Aniceto Guterres, Filomeno Aleixio (formerly with the International Republican Institute - IRI), and Jose Texeira (despite professing great loyalty to Alkatiri, is also said to be highly sympathetic to the need to modernize the party).
- Hold FRETILIN leadership accountable when the party behaves inappropriately. FRETILIN is a highly sensitive to its international image and is highly cognizant of the USG's

potential influence. In a context where the Embassy is cultivating good relations with the party on an ongoing basis, we will be in a strong position to convey tough messages when these are called for.KLEMM